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Report of the Investment, Enterprise and Development Commission on its seventh session

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Contents

		Page
I.	Agreed conclusions	2
II.	Chair's summary	2
	A. Opening statements	2
	B. Reports of expert meetings	5
	C. Mobilizing investment for development: Contribution of UNCTAD in the context of financing for development	7
	D. Entrepreneurship and sustainable development goals	11
	E. Policies to promote collaboration in science, technology and innovation for development	13
	F. Progress report on promoting and strengthening synergies among the three pillars	15
	G. Other business	16
III.	Organizational matters	17
	A. Opening of the session	17
	B. Election of officers	17
	C. Adoption of the agenda and organization of work	17
	D. Adoption of the report of the Commission to the Trade and Development Board	18
	E. Closing plenary	18

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Annex

Attendance..... 19

I. Agreed conclusions

The Investment, Enterprise and Development Commission,

Recognizing the constructive and fruitful deliberations at its seventh session, and

Mindful of the special circumstances for this session in light of the preparations for UNCTAD XIV,

1. Takes note of the work of the various expert group meetings held under the aegis of the Commission and looks forward to their continued contributions to synergizing the three pillars of UNCTAD;

2. Notes with appreciation the programme of Investment Policy Reviews and underlines the usefulness and the positive impact of the intergovernmental peer review process in this regard;

3 Recognizes the work of UNCTAD in the areas of science, technology and innovation, and in investment and enterprise, and the importance of such work in strengthening the capacity of developing countries to address key development challenges.

II. Chair's summary

A. Opening statements

1. The Deputy Secretary-General of UNCTAD made the opening statement, which was followed by those of the following delegations: the Philippines, on behalf of the Group of 77 and China; the Bolivarian Republic of Venezuela, on behalf of the Group of Latin American and Caribbean Countries; the United Republic of Tanzania, on behalf of the African Group; the European Union, on behalf of the European Union and its member States; Albania, on behalf of Group D; Benin, on behalf of the least developed countries; Paraguay, on behalf of the landlocked developing countries; Ecuador; Morocco and China.

2. The Deputy Secretary-General stressed the need for private sector involvement, guided by a set of principles, to help bridge the development financing gap, which had been identified by UNCTAD in the *World Investment Report 2014*.[1] The Report proposed an action plan to mobilize and channel resources within the global financial system for investment in sectors that are particularly important for sustainable development.

3. Foreign direct investment (FDI) played a key role in financing development, and UNCTAD Investment Policy Reviews helped countries attract investment that was conducive to sustainable development. Similarly, entrepreneurship and policy tools such as the Entrepreneurship Policy Framework developed by UNCTAD were means to pursue sustainable development goals in the post-2015 agenda.

4. Technology and innovation were not only drivers of economic growth but essential components of a post-2015 development agenda. It was important to stimulate collaboration through science and technology parks, clusters and business incubators to promote learning and the dissemination of knowledge.

[1] UNCTAD, 2014, *World Investment Report 2014: Investing in the SDGs–An Action Plan* (New York and Geneva, United Nations publication, Sales No. E.14.II.D.1).

5. Many groups emphasized the importance of sources of financing, including private sector contributions, in working towards the sustainable development goals and praised the *World Investment Report 2014* for its relevance, analysis, strategic policy framework and tailored action plans focusing on sectors for sustainable development for individual countries. They endorsed the central message of the report: that progress on sustainable development would require a partnership with the private sector and civil society.

6. The representative of one group recognized the importance of establishing an enabling international environment, in particular by developed countries. By providing relevant policy frameworks and incentives, it would be possible to increase flows of finance and investment to developing countries, scale up technology development and transfer, set up a fair and pro-development international trading system and enhance the participation of developing countries in global financial and economic governance. It was particularly important to stand by the commitment of allocating 0.7 per cent of gross national income to official development assistance. Better yet, developed countries should aim for 1 per cent by 2030.

7. She said that, in view of the importance of FDI for development, it was essential to ensure capacity-building, financial support and investments for developing countries, especially in least developed countries, landlocked developing countries and small island developing States. UNCTAD technical assistance in FDI statistics, capacity-building for negotiators of international investment agreements and awareness-raising for policymakers was a tool for effective investment policymaking. Private investment in agriculture was necessary to enable growth, poverty reduction and access to technology in developing countries. However, one should not lose sight of the legitimate concerns of countries and communities with regard to the social, environmental and economic impact of such investment. UNCTAD should continue and further expand its technical assistance programmes and put in place sound polices for sustainable development by promoting investment and developing a dynamic private sector.

8. All groups underscored the usefulness of UNCTAD investment trends and forecasts. One representative called for additional resources to support this work, particularly to help build capacity on data collection in developing countries. Similarly, some groups emphasized the need for UNCTAD to continue analysing issues related to the promotion of investment for sustainable development. The representative of one group commended the Organization's work in the area of FDI in agriculture and related sectors, in particular its work on the Principles for Responsible Agricultural Investment that respects rights, livelihoods and resources; she stressed its importance in alleviating poverty by generating exports and employment, and connecting developing countries to markets through global value chains. Another representative singled out an UNCTAD report on the gender dimension in the operations of transnational corporations in developing countries[2] and called on UNCTAD to expand this work to the apparel industry, financial services and agriculture.

9. With regard to the role of investment for development, some groups welcomed the contribution of the Investment Policy Reviews, whose tailored policy recommendations helped countries create an enabling environment to attract FDI and maximize its positive economic and development impacts. A few delegations called on member States to increase donor support to enable this important work to continue.

[2] UNCTAD, 2014, *Investment by TNCs and Gender: Preliminary Assessment and Way Forward* (New York and Geneva, United Nations publication).

10. In the area of investment policy, the absence of a multilateral governance structure to steer reforms in the international investment agreement system was a source of concern for several groups. Many delegations noted the valuable work on reform in international investment agreements, which had been spearheaded by UNCTAD. They welcomed its efforts to provide a multilateral forum for countries to discuss such options and build consensus among them and praised its proactive approach in designing a road map for reform. A few delegations welcomed the timely expert meeting held by UNCTAD in February on such reform. Recognizing the lack of technical expertise to address those reforms, many delegations said that the UNCTAD Investment Policy Framework for Sustainable Development could help facilitate reform efforts.

11. Building on the Deputy Secretary-General's comments, many delegates reiterated the importance of active policies and dedicated resources for fostering entrepreneurship. Several representatives emphasized the differential needs of women and youth that should be recognized when promoting entrepreneurship. Several delegates commended UNCTAD for its work in building entrepreneurial expertise through the Empretec and Business Linkages programmes and the Entrepreneurship Policy Framework. In the view of three groups, the Framework was a useful tool to assess and review enterprise competitiveness and foster productive capacity in developing countries. In the area of technical capacity-building, one delegate praised the work of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the usefulness of the UNCTAD Accounting Development Tool.

12. With regard to science, technology and innovation, a few groups welcomed the UNCTAD report to the Commission on the role of policies to promote collaboration in this field. Several groups noted that science, technology and innovation had a crucial role in enabling developing countries to achieve economic growth, generate better employment opportunities and address environmental challenges. One delegation stressed the importance of continuing with the exchange of experiences and mutual learning about science, technology and innovation policies and of accelerating the expansion of science, technology and innovation in developing countries.

13. The Director of the Division on Investment and Enterprise presented the latest investment and entrepreneurship data and trends. While flows of FDI were estimated to have fallen in 2014, there was reason for optimism: at the regional level, four of the five top recipients of FDI inflows were in developing countries, with developing countries receiving a record 56 per cent share of global FDI.

14. Noting a continued dichotomy in investment policymaking at both the national and international levels, he said that the trend at the national level in 2014 towards greater liberalization was greater than it had been in the previous two years, with 86 per cent of measures favourable to investment.

15. There had been a decline in the number of international investment agreements signed by countries, down from 44 in 2013 to 28 in 2014, bringing the total to 3,300. Countries were pursuing different paths of engagement with the international investment agreement system, which was affected by several processes, including the negotiation of mega-regional agreements. With regard to investor–State dispute settlement, the number of cases had grown to 608 known cases in 2014, fewer than in each of the previous two years. More than 100 Governments had faced at least one investor–State dispute case.

16. Noting that the United Nations General Assembly had recognized the role of entrepreneurship in sustainable development, he said that entrepreneurship development was critical in reducing poverty and promoting gender equality, social inclusion and environmental sustainability. In this regard, UNCTAD had collaborated with the

Commonwealth to develop a comprehensive national framework on youth entrepreneurship.

17. The Director of the Division on Technology and Logistics briefed the Commission on recent developments concerning science, technology and innovation for development. It was gaining visibility in addressing global challenges, particularly as a key component of the post-2015 development framework. For example, the Synthesis Report of the Secretary-General on the Post-2015 Agenda, the Report of the Open Working Group on Sustainable Development Goals and the zero draft of the Addis Ababa Accord on financing for development had devoted ample space to such issues.

18. She further briefed the Commission about the work undertaken by UNCTAD in support of the Commission on Science and Technology for Development. She referred to the development implications of the priority themes of its eighteenth session, "Strategic foresight for the post-2015 development agenda" and "Digital development". UNCTAD had recently prepared a report[3] to assist the Commision in its ten-year review of the implementation of the outcomes of the World Summit on the Information Society. The outcome of the review would be submitted to the General Assembly by the Economic and Social Council later in 2015. It would also form a substantive input to the overall review of the Summit to be conducted by the General Assembly in December.

B. Reports of expert meetings

(Agenda item 3)

1. Report of the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development on its third session

(Agenda item 3(a))

19. The Chair of the third session of the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development presented the report of the session. She underscored the importance of a coherent and comprehensive policy approach to entrepreneurship development to achieve inclusive sustainable growth and, towards this end, the need for an entrepreneurship policy framework. Policy guidelines should also be developed to support entrepreneurship in the green and social sectors, and for targeted groups such as women and youth entrepreneurs.

20. The meeting had highlighted the role of business linkage programmes to engage transnational corporations with local small and medium-sized enterprises through their value chains. The Chair of the expert meeting praised the pitching event between young entrepreneurs and investors as a useful opportunity to learn first-hand from the experiences of young entrepreneurs and hear their ideas about embedding entrepreneurship in national education curricula and the need for support and legislation to cope with entrepreneurship resilience and failure. She also welcomed the adoption of the resolution on entrepreneurship for development by the General Assembly and the positive impact it would have on the post-2015 development agenda.

21. The Commission took note of the report contained in document TD/B/C.II/MEM.4/9.

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[3] UNCTAD, 2015, *Implementing WSIS Outcomes: A Ten-Year Review* (New York and Geneva, United Nations publication).

2. Report of the Expert Meeting on the Transformation of the International Investment Agreement Regime: The Path Ahead
(Agenda item 3(b))

22. In his report on the Expert Meeting on the Transformation of the International Investment Agreement Regime: The Path Ahead, the Chair of the expert meeting stressed the session's importance in exploring ways to reform the international investment agreement regime and the investor–State dispute settlement mechanism, with a view to fostering sustainable development. Different paths towards reform of the international investment agreement regime would have implications at national, regional and international policy levels. Given the complexity of the system and the long-term nature of such agreements, a step-by-step approach towards reform was preferable. Participants had expressed appreciation for the organization of the expert meeting by UNCTAD, as well as the innovative format of the meeting, which had promoted more interactive discussions. There was a need for joint, coordinated multilateral efforts to pursue effective and comprehensive reform of the regime and for an action-oriented road map for reform that would take into account the interests of all stakeholders. UNCTAD was ideally positioned to play the role of a multilateral focal point for the sharing of experiences on issues related to such reform.

23. The Commission took note of the report (TD/B/C.II/EM.4/3).

3. Report of the Expert Meeting on Cyberlaws and Regulations for Enhancing E-commerce, including Case Studies and Lessons Learned
(Agenda item 3(c))

24. The representative of the Chair of the Expert Meeting on Cyberlaws and Regulations for Enhancing E-commerce, Including Cases Studies and Lessons Learned, presented the report of the meeting. She highlighted the transformational impact of e-commerce, underscoring the importance of adequate policy responses. She encouraged member States to consider how information and communications technology (ICT) and e-commerce could best be addressed as a means of facilitating international trade and implementing sustainable development in preparation for the fourteenth quadrennial conference of UNCTAD.

25. The delegate of one group, endorsed by another, thanked UNCTAD for its part in organizing a regional workshop on cyberlaw harmonization for e-commerce in Latin America and the Caribbean in Guayaquil, Ecuador, and for its continuous support in providing capacity-building training in e-commerce in the region. The expert meeting had helped enrich capacity-building by sharing experiences with other regions. One delegate urged UNCTAD to develop a new indicator that would assess the level of preparedness of countries to undertake e-commerce and enable comparisons with a catalogue of best practices in this field.

26. The Commission took note of the report contained in document TD/B/C.II/EM.5/3.

4. Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its thirty-first session
(Agenda item 3(d))

27. In his presentation of the report of the thirty-first session of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR), the Chair of that session noted that more than 280 participants from 80 countries had attended. The Group of Experts had adopted the agreed conclusions and suggested two main agenda items for next session: key foundations for high-quality reporting: International audit and assurance requirements and good practices on their implementation;

and review of good practices on enhancing the role of corporate reporting in attaining the sustainable development goals. In response to increasing interest by member States, UNCTAD was organizing a technical workshop on the practical implementation of International Public Sector Accounting Standards.

28. The Commission took note of the report of the thirty-first session of ISAR contained in document TD/B/C.II/ISAR/71 and approved the provisional agenda that the Group of Experts had proposed for its thirty-second session.

C. Mobilizing investment for development: Contribution of UNCTAD in the context of financing for development

(Agenda item 4)

1. High-level segment

29. The meeting discussed three inter-related issues: financing for development; the need to mobilize and channel investments to sustainable development sectors, including the role of the private sector, and the contribution of UNCTAD to investment for sustainable development and its potential role in the post-2015 development agenda.

30. In his opening remarks, the Director of the Division on Investment and Enterprise underlined the scale of investment needs implied by the sustainable development goals. The public sector alone could not finance the goals. However, private sector resources were available to complement public funding, and it would be necessary to strike a balance between different sources of external financing. There was a need for cooperation and partnership among stakeholders to ensure the mobilization and channelling of funds to effectively deliver on commitments to the goals. To support this process, targeted policies were required to reorient the different sources of financing towards investment in sustainable development. UNCTAD had contributed to supporting policies in that area through the Investment Policy Framework for Sustainable Development, the Entrepreneurship Policy Framework, the Sustainable Stock Exchanges Initiative, the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting and the Principles for Responsible Agricultural Investment.

31. The panellists acknowledged the challenge posed by the scale of investment needs for the sustainable development goals and the current financing gap. One panellist stated that while public finance would continue to play an important role, it would require greater international cooperation: there should be more engagement and participation by developing countries in international discourse and decision-making processes in many areas, including international tax cooperation. Another panellist highlighted the need for greater collaboration among Governments, the private sector, institutions and other stakeholders to address issues of financing for development.

32. Several delegates pointed out the critical challenges faced by some developing countries in attracting FDI, an important source of development finance. These included insufficient infrastructure and an unattractive investment environment. With that in mind, UNCTAD should extend its technical cooperation to countries to help them create or improve an enabling environment to attract investment. Special assistance to post-conflict countries was also important.

33. Many delegates had praise for the *World Investment Report 2014*. In keeping with its central message, they agreed that achieving the sustainable development goals would require a transformative agenda involving leadership, partnership and vision. As a major institutional stakeholder for financing for development, UNCTAD could play a useful role in the post-2015 development agenda. Several delegates suggested that the Organization

should extend its work in this area. One delegate said that it could help define better policy initiatives to facilitate financing and investment by sovereign wealth funds and similar investors in poor countries.

34. In the area of investment policy, several delegates expressed concerns over the increased incidence of investment disputes under international investment agreements. They requested UNCTAD to further pursue its work in that area, to provide practical solutions and options for the renewal of expiring investment agreements and to assist in devising investment policies in line with the sustainable development goals, while ensuring policy coherence and the preservation of host Government policy space. Some delegates requested that UNCTAD should develop a road map for the reform of the international investment agreement regime in support of countries' efforts towards achieving sustainable development.

35. Several delegates called on UNCTAD to provide technical assistance to help countries promote investment in sustainable development sectors. A few delegates expressed the need to effectively monitor progress on the delivery of the sustainable development goals and emphasized the importance of the availability of quality data as a tool to support monitoring efforts.

36. Many delegates recognized that microfinance could be an important source of finance for small and micro businesses. These businesses, which could have a positive impact on employment generation, and social and rural development, faced challenges in raising finance. One panellist explained how impact investors could pool funds from private and public investors and lend to microfinance institutions, which in turn could lend to entrepreneurs in developing countries. The objective was to develop and manage private and public–private investments with a development impact. There were many tools for financing development, but better coordination between different actors was necessary to ensure that they reached those who needed financial resources. Another panellist explained that Governments could play a role in facilitating access to finance for microenterprises and new start-ups by providing incentives to promote investment by microfinance institutions as well as risk-sharing agreements. In some cases, microfinance institutions could not invest directly in a country and needed to set up special-purpose vehicles, which increased the cost of investment.

37. Capital markets could also help support investment in sustainable development by listing requirements on stock exchanges. The Sustainable Stock Exchanges initiative, jointly founded by UNCTAD and other organizations, aimed to promote sustainability in this way. Delegates commended the initiative as an important tool for encouraging companies and investors to look at not just financial indicators but also at social and environmental performance in their investment decisions. A few delegates noted that the "Euro-connect market" programme was an example of how to provide a channel for companies to raise finance for sustainable investment by supporting companies in one country to be listed on another country's stock exchange.

38. In response to comments from delegates, the Director of the Division on Investment and Enterprise said that UNCTAD had made valuable contributions in the area of responsible investment and had encouraged companies to report their performance on environmental, social and governance issues. In addition, it had addressed risk assessment issues through the Investment Policy Framework for Sustainable Development, which promoted best practices in countries' regulatory framework to attract investment.

2. Investment Policy Review of the Sudan

39. The meeting considered the Investment Policy Review of the Sudan (UNCTAD/DIAE/PCB/2014/5).

40. In his presentation, the Director of the Division on Investment and Enterprise said that the main challenges to sustainable development in the Sudan were economic and political instability, food insecurity and a lack of economic diversification. Key findings and recommendations of the Review included the need to clarify and streamline the legal and institutional framework for FDI and align it with the country's development strategies. The establishment of effective public–private dialogue mechanisms was key to ensuring the impact of reform. Commending the recent efforts of the Sudan, he stressed that UNCTAD stood ready to assist the country in the implementation of the recommendations suggested in the Review.

41. The Ambassador of the Sudan to the United Nations expressed her appreciation and gratitude for the work of UNCTAD and the financial support of the Government of Sweden in the preparation of the Review. The presence of the Minister for Investment of the Sudan at the session of the Commission testified to the country's commitment to the review process, which provided, was an opportunity for all stakeholders to discuss the investment climate of the country.

42. The Sudanese Minister for Investment described the development potential of his country and the role that FDI could play. Foreign investors were already present in several sectors of the economy, such as agriculture, animal breeding, minerals, oil and gas, and manufacturing. However, challenges in stabilizing the local currency and diversifying the economy remained daunting. Indeed, FDI had a leading role to play in addressing them. The Sudan welcomed FDI and strove to improve the investment environment and the country's international image. It planned to utilize its free zones more effectively in order to better integrate into international value chains. Other priorities for policy reforms included improving the legal and institutional framework for investment, building local capacities, diversifying the economy and ensuring a better geographical distribution of investment. He called for the continued support of UNCTAD in following through with these priorities and requested that UNCTAD hold a workshop in Khartoum to set out the implementation agenda of the Investment Policy Review.

43. Summarizing the main findings of the Review, the Head of the Investment Policies Branch of the Division on Investment and Enterprise highlighted some priorities for regulatory reform, including the need to provide secure access to land, reduce the complexity of the tax regime, modernize and upgrade the labour regime and adopt a more proactive approach to addressing the scarcity of local skills. The Investment Policy Review also called for effective implementation of the competition and environmental protection regimes and the strengthening of the investment promotion framework. A dedicated investment promotion agency would carry out investment promotion and image-building activities before diversifying its functions and resources.

44. The Head of the Department of External Relations of the National Investment Authority of the Sudan presented the country's recent policy reforms and said that some recommendations of the Review were already being implemented. She urged UNCTAD and other development partners to provide further support to the country as it strove to build an attractive investment climate.

45. During the ensuing discussion, two investors engaged in agricultural production described their experiences in investing in the Sudan. They described how their projects had increased productive capacities in the country and fostered the transfer of know-how to local employees. While acknowledging the efforts of the Government towards improving the investment climate and facilitating their investment, the lack of adequate infrastructure and difficulties in accessing finance were obstacles to be overcome, which called for public–private dialogue.

46. Representatives of other member States recognized the potential of the Sudan, praised its progress on policy reforms and stressed the need for continued progress in strengthening political stability and improving the capacity of civil servants and institutions. They called on development partners and donors to support the Sudan's efforts. Some delegates stressed the importance of long-term policy stability and consistency in the attraction of FDI. Others, citing the experience of their investors in the Sudan, stressed that investment opportunities abounded, but there were persistent issues, such as the repatriation of capital and profits, and weak governance. Some delegates said that foreign sanctions had negative effects on business opportunities in the Sudan.

47. Member States that had benefited from previous or ongoing Investment Policy Reviews also shared their experience and encouraged the Government to implement the recommendations as tools to attract investment for sustainable development. One of the main advantages of the review process was the close follow-up of its implementation, accompanied by technical assistance. However, while UNCTAD provided valuable expert assistance and advice, the responsibility for implementation remained with the beneficiary countries. One delegation requested UNCTAD assistance to review the entrepreneurship policy framework of its country and establish an Empretec programme there.

3. Investment Policy Review of the Congo

48. The meeting considered the Investment Policy Review of the Congo (UNCTAD/DIAE/PCB/2014/4).

49. The Director of the Division on Investment and Enterprise said that the Investment Policy Review was a useful tool for implementing investment policy reforms. African countries, which were making efforts to improve their business climate, remained a strong priority for the development community. According to UNCTAD statistics, the Congo was among the top performers in the region in terms of attraction of FDI, although the concentration of FDI inflows in the oil sector was a cause for concern. Government authorities had already made important reforms and were aware of the need to diversify the economy and of the role that FDI could play in this regard. Recommendations from the Review, based on the Investment Policy Framework for Sustainable Development, focused on measures to improve the investment climate and the promotion of inclusive models in agriculture.

50. The Minister in charge of Planning, Public Portfolio and Integration of the Congo stressed the importance of private investment for inclusive growth and development, and endorsed the recommendations contained in the Review. The Government was taking steps to improve the business climate, develop infrastructure and facilitate access to water and energy, goals that were reflected in the National Development Plan, which aimed for the country to become an emerging market economy by 2025. Against this background, he welcomed the review as a valuable tool that could be used to achieve economic diversification and agricultural development.

51. The Minister for Small and Medium-Sized Businesses, and Handicrafts highlighted the important link between enterprise development and investment and the role that SMEs could play in the Congolese economy. The Government had implemented various business facilitation measures on company creation and operation, in particular for SMEs. As a follow-up to the Investment Policy Review, the Ministry requested that UNCTAD provide technical assistance to promote women's entrepreneurship, set up a business linkages programme and implement the e-regulations platform to help streamline business start-ups and other business processes.

52. The Head of the Investment Policies Branch of UNCTAD presented the main findings of the report. Emphasizing the extraordinary potential of the Congo for FDI

attraction, he drew attention to a number of important challenges. These included a series of bottlenecks in the areas of company operations, taxation, access to skills and the regulation of land tenure. These bottlenecks needed to be removed in order to have a more transparent and predictable framework for investment. While substantial reforms had been undertaken in several key areas, their implementation was slow, and greater institutional coordination was necessary. He highlighted the key components of the strategy proposed by the Investment Policy Review to attract FDI in agriculture, a key instrument of the Government to achieve food security and economic diversification. UNCTAD remained committed to providing technical assistance in each of the strategic dimensions covered in the report.

53. Delegates of other member States commended the Government on the completion of the review and encouraged the authorities to continue ongoing reforms to improve the investment climate. They noted the importance of UNCTAD as a venue for sharing best practices in the area of investment for sustainable development. Some member States that had benefited from the Investment Policy Review programme, including some African countries, highlighted the positive impact of the implementation of the recommendations on their investment environment and encouraged the Government to follow through with the implementation of the recommendations.

54. In the discussion that followed, several participants emphasized key public infrastructure priorities and the need to promote sustainable agriculture and contribute to poverty reduction. To do so, it was necessary to promote inclusive models of agricultural development. The review proposed a dynamic strategy featuring a proactive approach to investment targeting. They encouraged the authorities to continue ongoing reforms and embrace regional development initiatives. In the long term, such reforms should result in higher national value added through successful integration into regional and global value chains.

55. A number of representatives of the private sector welcomed the recommendations of the review and commended the Government for its efforts to diversify the economy. There was a need to work on methods to improve public–private consultations in the investment policymaking process, continue on the path of reform and strengthen local productive capacities. Investment promotion agencies played a critical role in all phases of the investment process. Some investors shared their experiences of inclusive business models, involving local communities and farmers in local agricultural schemes.

D. Entrepreneurship and sustainable development goals

(Agenda item 5 (a))

56. The session discussed the role of entrepreneurship in sustainable development, building on United Nation General Assembly resolutions 67/2012 and 69/L.14 on entrepreneurship for development, as well as the report on the implementation of resolution 67/2012 prepared by UNCTAD in collaboration with the Department of Economic and Social Affairs.

57. The Director of the Division on Investment and Enterprise introduced the topic of the meeting, providing an overview of emerging challenges in the global context of weaker economic growth and demand, and increased economic uncertainty that had had an impact on job creation. He highlighted the key elements of a comprehensive entrepreneurship policy framework to effectively contribute to job creation and the attainment of the sustainable development goals. Such a framework should address implementation strategies and monitoring tools, and should have a special focus on efforts to effectively promote and facilitate green growth, as well as initiatives such as social enterprise and impact investment, and entrepreneurship for youth, women and vulnerable groups. UNCTAD had

engaged in cooperation with the Governments of the United States of America and the United Kingdom of Great Britain and Northern Ireland in the context of the Group of Eight on the issue of impact investment, and had prepared a publication in partnership with the Commonwealth entitled "Policy Guidelines on Youth Entrepreneurship", to appear later in 2015. UNCTAD stood ready to assist member States, collaborate with national and international institutions on the identification of indicators to measure the effectiveness of policies and provide an international forum for discussion, consensus-building and the exchange of good practices on a new generation of entrepreneurship policy development. Like UNCTAD, international organizations should play a part in developing a new generation of entrepreneurship policies aimed at achieving the sustainable development goals.

58. The Minister for Small and Medium-sized Enterprises, Social Economy and Handicraft of Cameroon described the economic challenges faced by his country. Cameroon had put entrepreneurship promotion at the core of its development strategy, with the assistance of donor-funded programmes; it had also reformed its institutional, legislative and regulatory systems to support entrepreneurship. For example, thanks to UNCTAD e-regulations and e-registration programmes, it was now possible to set up a business in 48 hours, a record that would be further improved in 2015. The Minister commended UNCTAD for the Empretec programme, which had started in Cameroon in 2014 and was highly appreciated by local entrepreneurs. The programme, financed through national resources, contributed to Cameroon's vision of becoming an emerging economy by 2035.

59. The representative of the Department of Economic and Social Affairs said that entrepreneurship and sustainable development, which contributed to proposed sustainable development goal targets 4.4 and 8.3, were closely linked and enjoyed support from the above-mentioned General Assembly resolutions. The body had indicated various opportunities to promote entrepreneurship as an enabling policy within the context of the goals: the Third International Conference on Financing for Development to be held in Addis Ababa in July 2015, the United Nations summit for the adoption of the post-2014 development agenda in New York in September 2015, as well as the report of the Secretary-General on entrepreneurship for development to be presented at the annual session of the General Assembly in September 2016. The representative also encouraged member States to incorporate sustainable development goals into their national development plans.

60. Some panellists stressed the importance of effective entrepreneurship promotion as part of an entrepreneurial ecosystem. There was a need to switch the focus of policy from the entrepreneur, as an individual, to the entrepreneur and the enterprise as part of a dynamic ecosystem. Other panellists emphasized entrepreneurial peer networks that should be at the core of encouraging youth entrepreneurship, and central role of entrepreneurship education as a lifelong competence. One delegate gave an example of how entrepreneurship centres at the municipal and city levels could be an effective means to promote youth entrepreneurship and the formation of start-up companies. The delegate requested UNCTAD to provide member States with best practices in the establishment of entrepreneurship support centres, especially at the city level.

61. The meeting also considered the topic, measuring the impact of entrepreneurship policies. All panellists agreed on the challenging nature of measuring the impact of entrepreneurship. One panellist acknowledged the multidimensional nature of entrepreneurship as a driver of economic development. Another panellist said it was important to monitor entrepreneurship trends as an input to evidence-based policies, and that there was a need for a comparability of indicators across countries. Yet another panellist pointed out that looking solely at business registration data was not fully effective

in measuring entrepreneurship. Based on the findings of a paper by the Group of 20 Youth Entrepreneurship Alliance, he discussed the role of high-growth enterprises in job creation and stressed the importance of engaging large companies in mentorship and financing.

62. The panellists presented several frameworks and indicators that could provide policymakers with practical diagnostic tools to define benchmarks and identify priorities for a country's entrepreneurial ecosystem. Panellists urged member States to develop national capacities to collect data on entrepreneurship through National Statistical Offices and to link up with international institutions conducting research and analysis, such as the Global Entrepreneurship Research Network, the Global Entrepreneurship Monitor, the Organization for Economic Cooperation and Development, and Prodem, an entrepreneurial development programme. One panellist suggested that UNCTAD could develop a comprehensive and structured framework for monitoring entrepreneurship policies by systematizing existing indicators by category and providing guidance on how indicators should be compiled. Such a structured framework would be built on existing policy impact-measuring experiences and frameworks and contain guidelines for countries on how to monitor priority areas.

63. During the interactive debate, some delegates requested UNCTAD to continue its work on entrepreneurship and, more specifically, on providing member States with practical guidance on implementing entrepreneurship policies as well as briefings on the sustainable development goals. One delegate urged UNCTAD and other organizations to take into account intellectual property issues in their work on entrepreneurship policies.

E. Policies to promote collaboration in science, technology and innovation for development

(Agenda item 5 (b))

64. The UNCTAD secretariat presented document TD/B/C.II/30, outlining the role of science, technology and innovation parks in fostering collaboration in science, technology and innovation for development and policies that could be adopted to promote them.

65. One panellist noted that successful parks provided both good physical infrastructure and services, including business support. Some parks were set up using a bottom-up approach, driven by users, whereas others reflected a top-down approach, driven by government policy action. The approach was dependent on the mix of available private and public finance, and local economic culture and history. The primary motives for establishing science, technology and innovation parks were to support technology transfer to park tenants, incubate innovative businesses and attract foreign high-technology investors. Policies relating to such parks needed to be coordinated with overall development policies and goals, fitting local conditions. Government support on different public policy areas, including education, research, industry, SMEs, trade and taxation, was also needed. It was important for key stakeholders to agree on broad aims, as well as pragmatic, clearly defined objectives. So was providing services to support technology transfer and innovation. As limited public financing was often a challenge, it was necessary for park real estate activities to contribute to financing. Further, science, technology and innovation parks benefited greatly from having a dedicated management team from the start.

66. Another panellist presented the experience of iHub, an innovation hub established in Nairobi in 2010. It had been originally designed to provide a space where technology entrepreneurs, academics and financiers could meet to exchange ideas on potential ventures. Over time, once initial grant financing was exhausted, the value proposition of iHub moved to providing advanced consultancy and user services. It developed a collaboration with m:lab East Africa, an incubator for mobile technology start-ups, and

supported the development of an increasing number of innovation hubs and incubators in Kenya. The iHub experience had demonstrated that traditional science, technology and innovation parks were not the only model for promoting collaboration and innovation. Today there were some 100 innovation hubs in Africa, spread across all five subregions.

67. Another panellist explained that the science, technology and innovation park policy of the European Union had become integrated into regional development policies and was part of broader convergence policy that was moving away from infrastructure development towards building a knowledge-based economy. Today there were 366 parks in the European Union. The main policy objective was creating high-quality employment opportunities; 80 per cent of science, technology and innovation park tenants were from the ICT sector, the rest mainly in biotechnology and energy. Support was moving towards providing services that aimed to create linkages with academics and researchers. The geographic proximity of the parks to major universities provided excellent opportunities. The experience of the European Union suggested a number of success factors. The first was that science, technology and innovation park policy needed to be at the core of a quadruple helix of firms, research and development organizations, the public sector and civil society. Science, technology and innovation parks needed to support specific business and innovation strategies for a geographic area. Finally, they were more successful when embracing sectors that were not fully mature. Risk factors included size (too small), an excessive number of goals, overdependence on public funding and a lack of competent management.

68. In reply to one delegate's query about the importance of intellectual property for the iHub business model and the nature of challenges encountered by iHub-supported firms, one panellist explained that intellectual property was not an issue, as the core objective was to develop collaboration. However, it was a concern for technology entrepreneurs in Nairobi, who would benefit from a simple, cost-effective means of filing patents. Other challenges included high import tariffs and skills gaps that needed to be addressed by the education and training system.

69. Another delegate said that investments in science, and research and development should be encouraged as a means of establishing science, technology and innovation parks. One delegate wished to know how to reconcile the longer-term benefits derived from investments in science, technology and innovation with short-term expectations. Another said that the iHub model was based primarily on a bottom-up approach, required fewer financial resources and was much faster to set up than traditional science, technology and innovation parks, even if funding remained a critical issue. In the view of another, political support was necessary for investment in research and development, and science, technology and innovation. Developing a vision and stable policies required effective public administration.

70. One delegate wondered how a developing country should define its innovation policy. Industry-specific priorities needed a link with innovation policies based on economic structure and development goals. Realistic, pragmatic outcomes and policy expectations were to be set accordingly. Science, technology and innovation parks were an essential tool for developing countries that were trying to stimulate structural transformation of their economies through industrialization, but large innovation support systems such as those found in Europe were not universal. Other policy tools and incentives, including tax credits and financing support, offered complementary possibilities. Increasing assistance to SMEs in the form of access to financing, venture capital, intellectual property, technical audits and workshops to exchange good practices were policy actions that could be considered.

71. One delegate noted that there was a fundamental underinvestment in science, technology and innovation in most developing countries and suggested that UNCTAD

should organize a meeting on the prioritization of science, technology and innovation in development policy. The UNCTAD secretariat gave a brief outline of the Organization's current and planned activities aiming to improve capacity for innovation policy in developing countries.

F. Progress report on promoting and strengthening synergies among the three pillars

(Agenda item 6)

72. The Director of the Division on Technology and Logistics and the Director of the Division on Investment and Enterprise reported on progress made in promoting and strengthening the synergies among the three pillars of UNCTAD in the areas of science, technology and innovation, and investment and enterprise development, and described the main achievements and impact resulting from the delivery of the mandates received in Accra and Doha.

73. In her presentation, the Director of the Division on Technology and Logistics discussed the interaction between the Division's activities on research and analysis, technical cooperation and consensus-building. For example, the *Information Economy Report 2015: Unlocking the Potential of E-commerce for Developing Countries,*[4] offered key findings for developing countries. Other recently issued publications dealt with the transfer of technology; gender issues; and science, technology and innovation, and urbanization. In technical cooperation, science, technology and innovation policy reviews had had an immediate impact on the policies of countries that had undergone such reviews in recent years, for example, Oman and Thailand. With regard to consensus-building, among other activities, UNCTAD had provided inputs on technology and innovation in the context of the post-2015 agenda.

74. The presentation of the Director of the Division on Investment and Enterprise focused on the Division's achievements through the implementation of results-based management, that is to say, management focused not only on results but also on the impact (medium- and long-term outcomes) of the activities conducted. The Director described the divisional strategy and underlined the orientation of the Division to support investment in sustainable development and in particular to align divisional activities with the sustainable development goals. The results-based management approach had been acknowledged as a best practice by independent auditors and evaluators, including the Office of Internal Oversight Services and the External Evaluation of Subprogramme 2. He also presented impact stories for all main core products and activities of the Division.

75. In the discussion that followed, delegations acknowledged the good use of quantitative and qualitative indicators for reporting the impact of divisional activities and praised the Division for the use of a results-based management approach and best practices for management in the area of investment and enterprise. Some delegations recommended the dissemination and adoption of this practice across the Organization. One delegate commended the high-level of transparency of the secretariat's work. Another delegate lauded the comprehensive overview of programme activities and their impact, emphasizing both the outstanding number and diversity of activities conducted by the Organization in the area of investment and enterprise for development.

[4] UNCTAD, 2015, *Information Economy Report 2015: Unlocking the Potential of E-commerce for Developing Countries* (New York and Geneva, United Nations publication, Sales No. E.15.II.D.1).

76. Some representatives said there was a need to continue strengthening the synergies between the three pillars of UNCTAD, in particular by improving internal coordination, collaboration and coherence of research. Cooperation with other United Nations agencies and international organizations should be further pursued. In response, the secretariat said that, individually, UNCTAD publications offered an analysis of specific issues from different angles but provided a bigger picture when put together. The secretariat highlighted the integrated management system of UNCTAD, which emphasized the sharing of information on activities within and among divisions to enhance synergies among the three pillars of work.

77. Some delegates queried the Organization's new policy of providing a joint activity report. The representative of one group supported the need for individual divisional reports to provide more detailed information on the work carried out across the Organization. The secretariat noted that a single report was concise but did not provide a detailed account of the impact of activities carried out by all programmes within UNCTAD. Furthermore, divisional results and impact reports also served other reporting requirements.

78. Several delegates said that the Division's work had had a positive impact of on the development process in their countries, especially through programmes such as Investment Policy Reviews, international investment agreements, Empretec and business facilitation. Many delegations underlined the Division's efforts to translate its policy analysis into a concrete programme of action. Its investment policy analysis and entrepreneurship activities had been very useful. Several delegates praised the Division's work on mainstreaming a gender perspective into its analysis of investment issues. One delegate noted the importance of enhancing the synergies and collaboration among the Division's programmes of work, while yet another lauded UNCTAD for the interactive nature of the recent expert meeting on the international investment agreement regime.

79. Several representatives commended UNCTAD for its technical assistance in the area of investment and enterprise and, given its impact, encouraged donors to extend their support to UNCTAD activities in favour of developing countries, in particular the least developed countries. One delegate had praise for the quality of the Global Enterprise Registration Portal. The secretariat noted that technical assistance in the area of investment and enterprise was tailored to countries' specific needs and delivered in alignment with the development challenges faced by beneficiary countries. The secretariat invited donors to continue providing assistance to UNCTAD activities in the area of investment and enterprise to ensure the continuation of services for which there was a high level of satisfaction and demand among member States.

80. Several delegates expressed appreciation for the recent World Investment Forum (October 2014) and emphasized the high quality and transparency of the multilateral discussions. One delegate called for the involvement of high-level leadership in the next Forum, to be held in Lima in 2016, encouraging countries and investment stakeholders to avail themselves of the opportunity offered by the Forum to work towards the sustainable development goals.

G. Other business

(Agenda item 7)

81. In view of the upcoming fourteenth quadrennial Conference of UNCTAD, the Commission agreed that the agenda of the eighth session of the Commission would be decided upon by the Trade and Development Board upon recommendation of the Bureau of the Board after the Conference.

III. Organizational matters

A. Opening of the session

82. The seventh session of the Investment, Enterprise and Development Commission was opened at the Palais des Nations, Geneva, on 20 April 2015, by Mr. Eduardo Sperisen-Yurt (Guatemala), Chair of the Commission at its sixth session.

B. Election of officers

(Agenda item 1)

83. At its opening plenary meeting on 20 April 2015, the Commission elected the following officers to serve on its Bureau:

Chair:	Mr. Christopher Onyanga Aparr (Uganda)
Vice-Chairs:	Mr. Francisco Pirez Gordillo (Uruguay)
	Ms. Vera Fuchs (Austria)
	Mr. Taco Stoppels (Netherlands)
	Mr. Muhammad Takdir (Indonesia)
	Mr. Alexander Zagryadskiy (Russian Federation)
Rapporteur:	Mr. Juan Carlos Sanchez Troya (Ecuador)

C. Adoption of the agenda and organization of work

(Agenda item 2)

84. At its opening plenary meeting on 20 April 2015, the Commission adopted the provisional agenda for the session (TD/B/C.II/27). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Reports of expert meetings:
   (a) Report of the Multi-year Expert Meeting on Investment, Innovation and Entrepreneurship for Productive Capacity-building and Sustainable Development
   (b) Report of the Expert Meeting on the Transformation of the International Investment Agreement Regime: The Path Ahead
   (c) Report of the Expert Meeting on Cyberlaws and Regulations for Enhancing E-commerce, Including Case Studies and Lessons Learned
   (d) Report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting on its thirty-first session
4. Mobilizing investment for development: Contribution of UNCTAD in the context of financing for development
5. (a) Entrepreneurship and sustainable development goals
   (b) Policies to promote collaboration in science, technology and innovation for development

6. Progress report on promoting and strengthening synergies among the three pillars

7. Other business

8. Adoption of the report of the Commission to the Trade and Development Board

D. Adoption of the report of the Commission to the Trade and Development Board

(Agenda item 8)

85. At its closing plenary meeting, the Commission authorized the Rapporteur, under the authority of the Chair, to finalize the report after the conclusion of the meeting. The report would be submitted to the Trade and Development Board.

E. Closing plenary

86. The Commission adopted the Chair's verbal decision to reflect the consensus of the Commission on the draft agreed conclusions. It was the understanding of the Chair that member States had viewed the session as constructive and valuable. It was also his understanding that member States had recognized the important work of the Commission in the fulfilment of the Organization's mandate to contribute to the follow-up and implementation of the outcomes of the major United Nations conferences and summits on development, and that they looked forward to continued work in this regard.

87. Several delegations, including three groups, made closing statements.

88. The representative of one group, endorsed by one delegation, said that it had accepted the procedural agreed conclusions and the verbal decision of the Commission but that it would have preferred agreed conclusions of a substantive nature. She noted that having procedural agreed conclusions and a verbal decision did not set a precedent; further, future sessions of the Commission should work on the basis of having substantive agreed conclusions as set out by the Accra Accord in paragraph 203. In addition, it would be necessary to improve the scheduling of Commission work to leave adequate time for the negotiation of agreed conclusions that would not adversely affect the timetable of preparations for the next quadrennial conference in 2020.

89. One delegation suggested that the Commission might strengthen support for developing countries and take part in development summits and that the new development framework should focus on the role of UNCTAD. He encouraged the Organization to strive towards qualitative and quantitative improvements.

90. The representative of one group wondered whether the low attendance of the session could be attributed to a structural problem. His group would be willing to explore how to deal with the problem, perhaps within the frame of the next executive session of the Trade and Development Board to be held in June 2015.

91. The representative of another group expressed a preference for not having agreed conclusions, a situation that had occurred prior to UNCTAD XIII. It was important to focus on the objectives of the upcoming quadrennial conference of UNCTAD. With that in mind, the speaker requested the secretariat to prepare a calendar of preparatory work for the conference for all delegates.

Annex

Attendance*

1. Representatives of the following States members of UNCTAD and members of the Commission attended the session:

Afghanistan
Albania
Algeria
Argentina
Austria
Bangladesh
Belarus
Benin
Brazil
Burkina Faso
Burundi
Cameroon
Central African Republic
Chad
China
Colombia
Congo
Costa Rica
Côte d'Ivoire
Cuba
Djibouti
Dominican Republic
Ecuador
Egypt
Ethiopia
Finland
Germany
Ghana
Guatemala
Guinea
Haiti
India
Indonesia
Iran (Islamic Republic of)
Japan
Jordan
Kenya
Latvia
Libya
Madagascar
Mali
Mexico
Montenegro
Morocco
Mozambique
Namibia
Netherlands
Niger
Nigeria
Oman
Pakistan
Peru
Philippines
Poland
Qatar
Republic of Korea
Republic of Moldova
Russian Federation
Saudi Arabia
Senegal
Singapore
South Africa
South Sudan
Spain
Sudan
Sweden
Switzerland
Togo
Trinidad and Tobago
Tunisia
Turkey
Uganda
United Arab Emirates
United Republic of Tanzania
United States of America
Uruguay
Venezuela (Bolivarian Republic of)

* This list contains registered participants. For the list of participants, see TD/B/C.II/INF.7.

2. The following non-member observer State attended the session:

State of Palestine

3. The following intergovernmental organizations were represented at the Commission:

African, Caribbean and Pacific Group of States
African Union
European Union
Organization for Economic Cooperation and Development
International Organization of la Francophonie
Organization of Islamic Cooperation
Pacific Islands Forum Secretariat

4. The following specialized agencies were represented at the Commission:

United Nations Industrial Development Organization

5. The following United Nations organs, bodies and programmes were represented at the Commission:

Department of Economic and Social Affairs
Joint United Nations Programme on HIV/AIDS
United Nations Children's Fund
United Nations Development Programme

6. The following Non-Governmental Organizations represented at the Commission:

General category

Arab-Swiss Chamber of Commerce and Industry
International Network for Standardization of Higher Education Degrees
International Organization of Employers
Organisation camerounaise de promotion de la coopération économique internationale

Special category

International Ocean Institute